

## Message Text

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E.O. 11652: N/A

TAGS:

SUBJECT: PRIME MINISTER'S SPEECH TO FOREIGN CHAMBERS OF  
COMMERCE ON FOREIGN INVESTMENT CLIMATE IN THAILAND

SUMMARY: PRIME MINISTER KHUKRIT PRAMOT ADDRESSED JOINT  
MEETING OF AMERICAN, JAPANESE, BRITISH, FRENCH AND GERMAN  
CHAMBERS OF COMMERCE AUGUST 20 ON EUBJECT, "CLIMATE FOR  
FOREIGN INVESTMENT IN THAILAND." ACKNOWLEDGING THAT CLIMATE  
HAS NOT BEEN VERY GOOD DURING PAST YEAR, DUE IN PART TO  
POLITICAL ATMOSPHERE, HE SAID HE THOUGHT MORE OF A CON-  
TRIBUTING FACTOR HAS BEEN GENERAL FALL OF INVESTMENT  
WORLD-WIDE DURING THIS PERIOD. HE PLEDGED FAVORABLE AND  
QUICK RTG RESPONSE TO PROPOSAL INVESTMENT PROJECTS WHICH FALL  
WITHIN RTG PROMOTIONAL GUIDELINES, AND AS PROOF OF SINCERITY  
OF HIS INTENTIONS, HE INVITED CHAMBER HEADS TO JOIN WITH  
CERTAIN MEMBERS OF THAI PRIVATE SECTOR TO ACT AS A "FOREIGN  
INVESTMENT ADVISORY COUNCIL" WHICH WOULD SERVE AS SOUNDING  
BOARD FOR BOARD OF INVESTMENT."  
END SUMMARY.

1. SPEECH, WHICH WAS GIVEN TO LARGE CROWD OF FOREIGN  
BUSINESSMEN LESS THAN EIGHTEEN HOURS AFTER RANSACKING OF  
PM'S RESIDENCE BY DEMONSTRATORS, WAS GENERALLY WELL  
RECEIVED. OFFER TO CHAMBER HEADS WAS IMMEDIATELY ACCEPTED  
BY CHAMBER PRESIDENTS PRESENT, AND RECEIVED OVATION FROM  
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ASSEMBLED MEMBERS.

2. SUMMARY OF SPEECH INCLUDED FOLLOWING POINTS:

A. MAIN REASON FOR LESSENING OF FOREIGN INVESTMENT DURING PAST YEAR WAS WORLD WIDE ECONOMIC CONDITIONS.

B. POLITICAL ATMOSPHERE, NEVERTHELESS, WAS NOT CONDUCIVE TO FOREIGN INVESTMENT, INCLUDING SPECIFICALLY, LABOR PROBLEMS, BARRAGE OF DEMONSTRATIONS, AND THE TEMCO CASE.

C. THAILAND IS A BETTER PLACE TODAY FOR DOING BUSINESS THAN EVER BEFORE. UNDER PREVIOUS MILITARY GOVERNMENTS WAS SUBJECT TO WHIMS OF THOSE IN POWER WHILE, IN CONTRAST, UNDER PRESENT DEMOCRATIC SYSTEM OF GOVERNMENT, THERE IS NO LONGER CORRUPTION AT THE TOP, AND SUCCESS CAN BE BASED ON COMPANY'S PERFORMANCE.

D. LABOR PROBLEMS COULD HAVE BEEN AVOIDED IF THERE HAD BEEN A BETTER APPRECIATION OF THE "NEW THAILAND" BY EMPLOYERS.

E. ON TEMCO, THE PM SAID IT WAS A SPECIAL, UNIQUE CASE, NOT DIRECTED AT A FOREIGN COMPANY BUT MORE OF A REPRISAL AGAINST OUSTED MILITARY GOVERNMENT OF THE PAST, WITH SOME VERY SPECIAL POLITICAL OVERTONES.

F. DEPARTING FROM PREPARED SPEECH, PM COMMENTED ON FALL OF SOUTH VIETNAM AND ITS PROXIMITY TO THAILAND. HE SAID HE ALSO BELIEVES IN DOMINO THEORY, BUT WITH LIMITATIONS; IT APPLIED TO FORMER FRENCH INDOCHINA REGIONA BUT THAT THAILAND HAS A DIFFERENT HISTORY, WAY OF LIFE, AND CULTURE.

G. PM EXPRESSED BELIEF THERE IS A FINE LINE OF DEMARCATION BETWEEN CHAUVINISM AND MILD NATIONALISM; THE "NEW THAILAND" IS GOING THROUGH THE PHASE OF MILD NATIONALISM, BUT CERTAINLY NOT HEADING TOWARD ANY KIND OF CHAUVINISM. "OUR INITIAL REACTION TOWARD FOREIGNERS IS THAT WE PRESUME THAT THEY ARE OUR FRIENDS. EVEN IF THEY WERE TO DO SOMETHING WE MIGHT CONSIDER INSULTING TO THE UNCLASSIFIED

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THAI TRADITIONAL WAY OF LIFE, WE SORT OF FORGIVE THEM AS, AFTER ALL, THEY ARE "FARANGS'."

K. COMMENT: EMBASSY WILL TRANSMIT TEXT OF SPEECH BY POUCH, TOGETHER WITH ANALYSIS OF REACTIONS AFTER IT HAS HAD BETTER OPPORTUNITY TO SOUND OUT BUSINESS REPRESENTATIVES WHO WERE PRESENT.  
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